

**Dennis Grossman
Attorney At Law
14 Bond Street (#600)
Great Neck, New York 11021
(516) 466-6690**

Honorable William H. Pauley III
United States District Court
500 Pearl Street
New York, New York 10007

February 16, 2018

Re: Tapia-Castrejon v. Sahara East Restaurant Corp. (14CV8080)

Dear Judge Pauley:

My office represents the defendants in this action. I write in response to Your Honor's Order of Feb. 8, 2018 requiring the parties to file a settlement agreement by today.

Unfortunately, the parties have been unable to resolve the details of what once appeared to be a settlement in principle. Chief among the open issues (but not the only open issue) is plaintiff's insistence that he receive a settlement for alleged unpaid wages without providing a Social Security number for tax reporting and withholding. Defendants have been warned by their CPA that this will create enormous tax problems (and penalties) for defendants who are now striving to comply fully with all income tax laws, IRS & NYS/NYC.

The inability to consummate a settlement is as disappointing for defendants as I am sure it is for the Court. Defendants respectfully request the Court's understanding of their predicament, as they do not wish to disappoint the Court in its preference for a settlement but at the same time do not wish to incur this risk of violating applicable income tax laws. Other issues remain open as well.

At this point, it appears there is no settlement, and defendants respectfully request that the Court proceed accordingly.

Respectfully,

Dennis Grossman

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cc: Brandon Sherr, Esq. (by ECF)